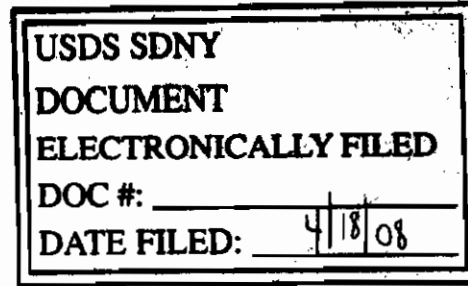


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



UNITED STATES OF AMERICA,

-against-

05 Cr. 1039 (CM)

SAMUEL ISRAEL,

Defendant.

MEMORANDUM ORDER

McMahon, J.:

After reviewing the transcript of yesterday's sentencing, I realized that I had inadvertently said that I was giving defendant a "variance" sentence as a result of his cooperation. What I meant to say was that I was granting his motion for a downward departure on that basis, by reducing by one-third (from 30 to 20 years) the United States Sentencing Guidelines sentence for his crimes. The judgment will be drafted using the correct terminology, unless the parties think it necessary to reconvene proceedings so that I can change the word "variance" to "downward departure."

I also see that, during my sentencing remarks, I said that Mr. Israel's cooperation began only after his "arrest." As he was not arrested, what I should have said was that his cooperation began "after Bayou collapsed and the fraud was revealed."

Dated: April 18, 2008

A handwritten signature in dark ink, appearing to be "Michael McMahon", written over a horizontal line.

U.S.D.J.

BY ECF TO ALL COUNSEL